

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 501 - SB 481

March 11, 2017

SUMMARY OF BILL: Requires state and local government to fund three Response to Instruction and Intervention (RTI²) positions within each public school through the Basic Education Program (BEP) as an instructional component.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$246,212,800

Increase Local Expenditures – Exceeds \$550,000*

Assumptions:

- The BEP funds instructional positions in FY17-18 at a salary rate of \$46,225, with benefits of \$17,738, for a recurring cost of \$63,963 per RTI² position.
- According to the State Report Card, there are 1,833 public schools.
- Therefore, the total cost to fund three such positions is estimated to be \$351,732,537 (\$63,963 x 3 positions x 1,833 schools).
- On average, the state funds 70 percent of instructional positions. Therefore, the recurring increase in state expenditures is estimated to be \$246,212,776 (\$351,732,537 x 70.0%).
- Local education agencies (LEAs) are required on average to include funding for the remaining 30 percent, which in this case would require \$105,519,761 (\$351,732,537 x 30.0%). However, many LEAs fund public schools at a level considerably above the minimum BEP match requirement. It is assumed that many of these LEAs would still be funding more than what the local required BEP match would be following passage of this bill with current BEP funding levels.
- However, and based on information from the Department of Education (DOE) there are at least 10 LEAs that would be required to increase local funding above current funding levels in order to cover the increased local match requirement that would be prompted by passage of this bill.
- Based on information provided by DOE, these 10 LEAs will be required to increase the local funding share by an amount estimated to exceed \$55,000 per LEA in order to meet the new and increased minimum local BEP match requirement prompted by passage of this bill.

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- The mandatory recurring increase in local expenditures is reasonably estimated to exceed \$550,000 (10 minimum LEAs x \$55,000 minimum cost).

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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